

**STATE CONTRACT
RFP DOF-BIS-010
ATTACHMENT 3**

STATEMENT OF WORK

A. Project Description

The purpose of this project is to (1) evaluate the state's current chart of accounts (COA) and propose a strategy for updating the COA following the selection of a commercial off-the-shelf (COTS) software product; (2) conduct facilitated work sessions to gather detailed business requirements pertaining to budget development and administration; (3) prepare two solicitation documents (Request for Proposals), one for a COTS software and the other for a system integrator; (4) assist in the evaluation of the proposals received; and, (5) assist Finance with the development and approval of a Special Project Report (SPR).

B. Contractor Tasks and Responsibilities

Chart of Accounts (COA) and Standards

1. Interview departments to assess how effectively existing financial systems meet departmental needs to gain an understanding of system features being utilized and their purpose, what needs are not addressed by the system, how the department application interfaces with CALSTARS or the State Controller's Accounting system, and how existing interfaces could be impacted by a new structure. Financial systems could include (1) CALSTARS, (2) a departmental enterprise financial system, and (3) a system/process other than CALSTARS or enterprise financial system.
2. Develop a working knowledge of the current Uniform Codes Manual (UCM). (See <http://www.dof.ca.gov/HTML/CALSTARS/Ucm.htm>).
3. Develop and facilitate a workgroup of stakeholders identified by the BIS Project Office to assess departmental needs. Use critical needs included in the surveyed information as criteria for identifying stakeholders.
4. Using input from the departments identified by the BIS Project Office in addition to surveyed information, use the workgroup to determine where the existing UCM structures do not meet current budgeting, accounting and report requirements.
5. Analyze the COA being used by specified control agencies, the State Controller's Office (SCO), State Treasurer's Office (STO) and Department of General Services (DGS), to develop an understanding of their reporting/accounting needs and how they interface with the UCM and Finance.

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6. Conduct market research to develop an understanding of the COA structure of the three most commonly implemented enterprise financial systems currently in use at a state agency, based on agreement with the BIS Project Office. Identify options related to specific systems that should be considered in COA development.
7. Develop an understanding of the state's need for both budgetary/legal basis accounting and reporting requirements and Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) basis of accounting and reporting requirements (including newly proposed requirements in GASB statements 34 and 35).
8. Review and record core reporting requirements specified by the project team (this will include the majority of state agencies, but not all), such as the preparation of the Comprehensive Annual Financial Report (CAFR), budget, regulatory reporting requirements and project and grant reporting. For each of these reporting requirements, separately list all the core data elements and their source (i.e., CALSTARS, or other departmental system).
9. Develop a catalog of the various systems that support the activities identified in B.8 above that includes as description of its purpose, age of the system, and the technology supporting the system.
10. Provide a comparison of the findings from department/Finance interviews, UCM analysis and enterprise financial systems, including the identification of strengths and weaknesses with various COA structures currently in use.
11. Provide assistance in presenting findings to participating stakeholders. Assistance may include meeting facilitation, preparation of presentation materials, note taking, etc.
12. Analyze the data gathered to support statewide budget/accounting reporting levels (e.g., financial management reporting to support the decision-making process) at the lowest common denominator while still providing departments flexibility to drill down to meet individual departmental needs.
13. Provide a summary report that includes, but is not limited to, a gap analysis on department/Finance findings, SCO, UCM and enterprise financial COAs that considers transition activities and GASB impacts. This report should also document key issues and the impacts on existing systems and users.
14. Provide a report that identifies how the state maintains flexibility to support the current budgetary basis reporting while using software that meets Generally Accepted Accounting Principles (GAAP) legal reporting requirements.

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15. Recommend standard definitions based on common business practices and current COA analysis. (See UCM).
16. Provide miscellaneous reports and presentations to the BIS Steering Committee regarding the COA findings.
17. Develop a structured methodology/business case for a future COA redesign effort to support a financial management system including change management steps, transition plan, training plan, and incorporation of performance measurements and metrics for specified program areas.
18. Review and record the impact of the state COA on budget development, administration, and reporting requirements, and how the state's budget process relates back to the COA.

Acquisition Assistance

1. Provide support to plan and develop the RFPs and support the bid processes.
2. Develop a Project Plan that identifies schedules and activities for competitive bid processes from inception through contract awards.
3. Facilitate work sessions with subject matter experts (SMEs) from Finance and participating departments to identify and document the detailed business requirements for BIS.
4. Provide the planning, methodology, tools, techniques, and procedures, and any supplemental software to track BIS requirements. The requirements will be incorporated into the procurement documents.
5. Develop and provide any procedures and materials (such as communications, marketing, surveys, etc.) necessary for defining and confirming business requirements. Finance will have the right to duplicate all materials and manuals.
6. Provide the tools and procedures to develop and produce a Requirements Traceability Matrix.
7. Develop the RFP to select and contract for COTS software in accordance with the State Administrative Manual (SAM) and Department of General Services (DGS) requirements.

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8. Develop the RFP to select and contract with a system integration consultant in accordance with SAM and DGS requirements.
9. Identify, define, document, and confirm the necessary administrative, project management, project deliverables, and other project processes and procedure requirements to be included in the RFPs.
10. Ensure that BIS procurement documents contain adequate specification for reliability, maintainability, and capacity performance.
11. Provide assistance in addressing questions regarding the RFPs during control agency review and approval process.
12. Facilitate the development process for appropriate bid evaluation criteria and the weighting methodology for both RFPs that meets the approval of DGS Procurement Division.
13. Develop a scoring tool for the evaluation methodology used for the procurements.
14. Develop the technical models, processing requirements, and transaction levels that adequately establish a benchmark for the bidder. These models will be included in the RFP for the purpose of developing and evaluating proposal costs.
15. Provide facilitation assistance and process support during the evaluation and selection processes for the software and system integrator. This includes, but is not limited to, participating in the proposal review sessions and capturing comments for state response letters; developing confidential state responses; and preparing for confidential vendor conferences.
16. Develop the state model contract to be included with the RFPs in accordance with DGS requirements.
17. Review procurement plans for compliance with activities required by Office of Technology Review, Oversight and Security (OTROS).
18. Prepare a Special Project Report (SPR) that includes the recommended solution.
19. Provide assistance in addressing OTROS questions regarding the SPR during the approval process.
20. Provide support and knowledge for resolving Protests to the RFPs and contract awards.

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Work Standard Requirements

1. The bidder will use Microsoft Office 2003 in the preparation of all project correspondence and deliverables, which the BIS Project will ultimately be responsible for using and maintaining.
2. The bidder will meet with Finance Project Director or designee and other appropriate resources to review an outline of each project deliverable in advance of its preparation. This process should properly establish expectations in advance on all sides regarding the content of, and identify acceptance criteria for deliverables and facilitate the review process.
3. The bidder will store all project work papers on-site in designated project folders using a file structure specified by Finance.
4. All bidder employees and subcontractors working on the BIS Project must comply with all Finance security and confidentiality policies and procedures. Each of the employee of the successful bidder must sign formal compliance agreements regarding security and confidentiality.
5. The bidders proposal must provide a description of their procedures for managing subcontractors involved in the project along with their reporting mechanisms. The description must include a process that will be used to resolve disputes.
6. The bidder's project manager will keep the Finance Project Manager and Project Director apprised of the overall project status (this includes the COA and RFPs) by providing monthly status reports that identifies the activities completed since the last report, activities planned for the next reporting period, deliverables expected to be completed in the two reporting periods, and issues that may impact the project. In addition to the Monthly Status Reports, the bidder's project manager will attend weekly status meetings with the Finance Project Manager.

Facilities and Resources

1. The bidder's core team must be available onsite (915 L Street, Sacramento) for the duration of this project, January 2006 through April 2008. Non-core team members may work offsite as required with pre-approval of the BIS Project Director.
2. For purposes of this project, a work week is defined as a five-day week, Monday through Friday, except for state holidays.

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3. Travel by the bidder's team members for purposes related to the tasks defined, must be pre-approved by the Project Director with expenses being reimbursed at state rates consistent with the SAM. Money is allotted for travel expenses, as stated in the Cost Worksheet.
4. Bidder resources exceeding the number of workstations provided by Finance (Finance will provide up to five workstations) will be required to provide their own workstations (laptops) and required software. Bidder staff using personal laptops will be required to sign a security agreement with Finance before LAN connection is permitted.

C. Deliverables and Payment

Deliverables	Estimated Completion
Detailed Work Plan	1/30/2006
Comparison Report of UCM, department criteria, and enterprise financial systems	2/30/2006
Budgetary basis vs. Legal basis Reporting	2/30/2006
COA summary report (see Contractor Responsibilities #12)	3/30/2006
Report of GAAP budgetary basis vs. legal reporting requirements	4/15/2006
Dictionary of common term and practices	5/30/2006
Finalize strategy/business case for COA revisions *	6/30/2006
Detail work plan for requirements definition sessions	7/30/2006
BIS requirements database	8/15/2006
Benchmark criteria	10/30/2006
Release RFP for software *	1/15/2007
Software vendor conferences	2/15/2007
Evaluation criteria for software proposals	3/1/2007
Software recommendation *	7/30/2007
RFP for system integrator	9/15/2007
System integrator conferences	10/15/2007
Evaluation criteria for system integrator proposals	11/1/2007
System integrator recommendation *	2/30/2008
SPR for OTROS review	3/15/2008
Final SPR (with OTROS adjustments) *	4/30/2008

Payments will be made upon completion of the specified deliverables and acceptance by the Finance BIS Project Director. Payments will be based on 85% of the deliverable's contracted costs. The 15% withheld will be payable upon the delivery and acceptance of those deliverables annotated by an asterisk.

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Bidder's completed Deliverables Cost Worksheet will be attached as follows:

DELIVERABLES COST WORKSHEET

Deliverable	Price
Chart of Accounts and Standards:	
Detailed Work Plan	\$
Comparison Report of UCM, department criteria, and enterprise financial systems	\$
Budgetary basis vs. Legal basis Reporting	\$
COA summary report (see Contractor Responsibilities #12)	\$
Report of GAAP budgetary basis vs. legal reporting requirements	\$
Dictionary of common term and practices	\$
Finalize strategy/business case for COA revisions*	\$
SubTotal -- Chart of Accounts and Standards (COA)	\$
Acquisition Assistance	
Detail work plan for requirements definition sessions	\$
Benchmark criteria	\$
BIS requirements database	\$
Release RFP for software *	\$
Software bidder conferences	\$
Evaluation criteria for software proposals	\$
Software recommendation *	\$
RFP for system integrator	\$
System integrator conferences	\$
Evaluation criteria for system integrator proposals	\$
System integrator recommendation *	\$
SPR for OTROS review	\$
Final SPR (with OTROS adjustments) *	\$
SubTotal -- Acquisition Assistance (AA)	\$
Travel **	\$ 10,000
Total Proposed Project Cost	\$

Role	Proposed Staff	Total Hours (COA)	Total Hours (AA)
Account Manager			
Project Manager			
Business Analyst			
Staff Assistant			
Acctg Specialist			
<i>Insert additional lines as necessary</i>			
	Total Hours		

* Payments will be made upon completion of the specified deliverables and acceptance by the Finance BIS Project Director. Payments will be based on 85% of each deliverable's contracted costs. The 15% withhold will be payable upon the delivery and acceptance of those deliverables annotated by an asterisk.

** Travel by the bidder's team members for purposes related to the tasks defined, must be pre-approved by the Project Director with expenses being reimbursed at state rates consistent with the State Administrative Manual. The state has set aside money for travel expenses.

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D. State Responsibilities

1. Begin a department survey to gather information pertaining to departmental needs from the current COA. Finance will identify departments, for the purpose of gathering information, which will be a combination of (1) CALSTARS users, (2) users of independent enterprise financial system, and (3) departments that have a process other than CALSTARS or enterprise financial system. The survey will focus on what CALSTARS systems features are being utilized, what needs are not being addressed, and how departmental applications interface with the existing financial systems.
2. Provide access to staff resources, Finance and external, and support to facilitate the successful completion of the project. This includes staff from budgets and accounting.
3. Provide Finance staff with institutional knowledge of GAAP budgetary basis reporting requirements for the state.
4. Provide issue resolution support if there are internal differences regarding the direction of the project.
5. Review draft deliverables within ten state business days (depending on the size and complexity) and provide issues, comments and requests for change.
6. Review final deliverables within five state business days for approval or request for change:
7. Provide onsite workspace which may include the assignment or use of hardware, connection to LAN, telephone, fax, copy machine, and other resources as needed.
8. Provide workspace for work sessions, meetings, conferences, presentations, etc.
9. Retain a Project Manager with experience overseeing projects of this size and complexity.
10. Determine if a Special Project Report is needed, following the analysis of the current COA and standards and prepare necessary documents for submission to the OTROS.
11. Provide up to five workstations which will include Microsoft Office 2003, virus protection software and other project related software as needed.

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12. Subject Matter Experts (SMEs) from Finance budget staff and various departments will be available for work sessions and miscellaneous meetings, as needed.